

TORONTO STOCK EXCHANGE

FILING STATEMENT No. 527.
ACCEPTED FOR FILING, JANUARY 5th. 1961.

CRAIGMONT MINES LIMITED (Non-Personal Liability)

Full corporate name of Company

Incorporated pursuant to the "Companies Act" of British Columbia, R.S.B.C. 1948, Chapter 58 by Certificate of Incorporation dated September 27, 1946.

Particulars of incorporation (e.g., Incorporated under Part IV of the Corporations Act, 1953 (Ontario) by Letters Patent dated May 1st, 1957).

FILING STATEMENT

(To be filed with respect to any material change in a company's affairs, including among other things, an underwriting and option agreement, an issue of shares for property and a proposed re-organization.)

JAN 23 1961

1. Brief statement of the material change in the affairs of the company in respect of which this statement is filed.	The Agreement of June 1, 1958 is being varied by an Agreement dated January 1, 1960 between the same parties to the result that the Company will be the sole operating entity with respect to its Property near Merritt, B.C. The 60% interest in the profits of the Property assigned to Canadian Exploration Limited, Noranda Mines, Limited and Peerless Oil & Gas Company are being exchanged for an equivalent 60% share interest in the Company. This change necessitates the creation of additional shares.
2. Head office address and any other office address.	700 Burrard Building, 1030 West Georgia Street, Vancouver 5, B.C.
3. Names, addresses and chief occupations for the past five years of present or proposed officers and directors.	<p>President - John D. Simpson, 700 Burrard Bldg., Vancouver 5, B. C.</p> <p>President - Placer Development, Limited</p> <p>Director - Earl M. Olts, 2890 Point Grey Rd., Vancouver 8, B. C.</p> <p>Lumber and Mining Executive</p> <p>Director - Neil H. McDiarmid, 6186 Candia Place, W. Vancouver, B.C.</p> <p>Barrister and Solicitor</p> <p>Director - Gerald A. Gordon, 700 Burrard Bldg., Vancouver 5, B. C.</p> <p>General Manager - Canadian Exploration Limited</p> <p>Director - J. Douglas Little, 700 Burrard Bldg., Vancouver 5, B. C.</p> <p>Assistant General Manager - Canadian Exploration Limited</p> <p>Director - Richard V. Porritt, 44 King St. W., Toronto, Ont.</p> <p>Vice-President - Noranda Mines, Limited</p> <p>Director - Vernon F. Taylor, Jr., Denver Club Bldg., Denver, Colorado, U.S.A.</p> <p>Director - Peerless Oil & Gas Company</p> <p>Secretary - James L. McPherson, 700 Burrard Bldg., Vancouver 5, B. C.</p> <p>Asst. Secretary - Placer Development, Limited</p> <p>Treasurer - John R. Croll, 700 Burrard Bldg., Vancouver 5, B. C.</p> <p>Assistant Treasurer - Placer Development, Limited</p>
4. Share capitalization showing authorized and issued and outstanding capital.	Authorized \$18,000,000 divided into 6,000,000 common shares par value 50¢ each and 150,000 preferred shares par value \$100.00 each. Presently issued 2,030,910 common shares.
5. Particulars in respect of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.	None
6. Details of any treasury shares or other securities now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.	Not applicable. Pursuant to an Agreement dated January 1, 1960 the company proposes to issue to Canadian Exploration Limited, Noranda Mines, Limited and Peerless Oil & Gas Company jointly 3,046,365 common shares in consideration of the relinquishment by them of their contractual rights to receive 60% of the net benefits of the Property pursuant to the Agreement of June 1, 1958. The aforementioned 3,046,365 shares when issued will form 60% of the total common shares issued and the present 2,030,910 common shares will form 40% of the total common shares issued. This maintains the basic 60-40 division of benefits pursuant to the Agreement of June 1, 1958 and does not in any way dilute the equity interest or earning capacity of any of the common shares. It is further proposed to obtain financing by the issuance of preferred shares at no discount or commission.
7. Names and addresses of persons having any interest, direct or indirect in underwritten or optioned shares or other securities or assignments, present or proposed, and, if any assignment is contemplated, particulars thereof.	Not applicable.
8. Any payments in cash or securities of the company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.	Not applicable.
9. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any.	The company plans to bring its copper property at Merritt, B.C. into production on the basis of a 4,000 ton per day mill, and actual preparation is well under way. Certain of the financing for this work will be done by the sale of preferred shares.

FINANCIAL STATEMENTS

CRAIGMONT MINES LIMITED (Non-Personal Liability) BALANCE SHEET as at 31st October, 1960

ASSETS

CURRENT:

Cash	\$ 6,600.46
Government of Canada bonds 4½% 1983 — at cost	\$ 175,000.00
(par value \$175,000.00—market value \$159,687.50)	
add: accrued interest	1,312.50

176,312.50

\$ 182,912.96
135.00

DEPOSITS

PROPERTY AND EQUIPMENT — at cost:

Mining properties and claims (see notes)	492,386.12
Exploration and development costs per schedule 1	384,971.33
Buildings and equipment	9,522.09
Mill site	4,000.00
Water rights	250.00

891,129.54
1,384.11
\$1,075,561.61

INCORPORATION EXPENSE

APPROVED ON BEHALF OF THE BOARD:

R. COLLISHAW, Director
N. H. McDIARMID, Director

NOTE: The attached notes form an integral part of this balance sheet and should be read as part of the statement.

LIABILITIES

CURRENT:

Accounts payable	\$ 32,952.23
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\$ 32,952.23

SHAREHOLDERS' EQUITY

SHARE CAPITAL:

Authorized	
3,000,000 common shares of 50 cents each	\$ 1,500,000.00
Issued and fully paid (see notes)	
2,080,910 common shares of 50 cents each	1,015,455.00
add: net of share premiums, less discount and commissions	27,154.38

1,042,609.38
\$1,075,561.61

To the Members of CRAIGMONT MINES LIMITED (Non-Personal Liability) Vancouver, B.C.

We have examined the balance sheet of Craigmont Mines Limited (non-personal liability) as at 31st October, 1960 and the schedule of development costs for the period 31st January, 1960 to 31st October, 1960, and have received all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

15th November, 1960

FREDERICK FIELD & CO.

Chartered Accountants.

In our opinion, the accompanying balance sheet, with the notes thereto, and the schedule of development costs, are properly drawn up so as to exhibit a true and correct view of the state of affairs of the company as at 31st October, 1960 and of its expenditures for the period then ended, according to the best of our information and the explanations given to us and as shown by the books of the company.

NOTE 1: The Company's mining properties located near Merritt, B.C. are subject to the terms of an examination and operating agreement dated 1st June, 1958 with Canadian Exploration Limited, Noranda Mines Limited and Peerless Oil & Gas Co. We are advised that at an Extraordinary General Meeting of the Company there will be presented to the shareholders for approval by them an agreement dated and made to have effect as of 1st January, 1960 and which agreement is for the purpose of amending the relationship of the aforementioned parties and this Company in connection with the development of the property.

NOTE 2: In November, 1958 and April, 1959 actions were commenced against the Company by Contact Mining and Development Co. Ltd. (N.P.L.) and John Alexander Stinson respectively concerning the Company's title to certain Mineral Claims and Crown Mineral Leases held by the Company and which contain a portion of the mining property. In a Judgment handed down on 2nd March, 1960 the Supreme Court of British Columbia dismissed the aforementioned actions against the Company and held that the contested Mineral Claims and Crown Mineral Leases were valid and that the Company was the proper owner. An appeal was launched by the aforementioned parties to the Court of Appeal which Court in a Judgment handed down on 6th October, 1960 dismissed the appeal and confirmed the Company's title. As the time in which a further appeal to the Supreme Court of Canada may be launched has not yet terminated, further comments as to title would not be proper at this time.

NOTE 3: During the period, exercised share options resulted in an issue of 25,000 common shares at 60 cents each; (credited as follows -- issued shares \$12,500.00 -- share premium \$2,500.00).

C R A I G M O N T M I N E S L I M I T E D (Non-Personal Liability)

SCHEDULE OF EXPLORATION AND DEVELOPMENT COSTS

for the nine months ended 31st October, 1960.

31st January, 1960 - TOTAL DEVELOPMENT COSTS	\$368,541.60
Add: EXPENDITURES	
Engineering - - - - -	\$5,952.32
Taxes on land - - - - -	81.78
Registration and filing fees- - - - -	593.50
Administration- - - - -	657.29
Office expense- - - - -	5,684.69
Advertising- - - - -	90.00
Audit- - - - -	525.00
Trustees' fees and expenses - - - - -	1,499.62
Bank charges and interest- - - - -	224.50
Miscellaneous expense- - - - -	739.70
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	16,048.40
less: interest income- - - - -	6,728.67
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	9,319.73
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	377,861.33
add: Participation in a joint venture geological study of outside properties- - - - -	7,110.00
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31st October, 1960 - TOTAL DEVELOPMENT COSTS	
- to exhibit 'A' - - - - -	\$384,971.33
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Giving effect to the Rearrangement proposed under the January 1, 1960 Agreement

		As at October 31, 1960	After Rearrangement (1)	As at October 31, 1960	After Rearrangement (1)
ASSETS					
CURRENT ASSETS:					
Cash.....		\$ 6,800	\$ 497,572		
Government of Canada bonds, 4½%, 1983 — at cost.....		175,000	175,000	3,000,000 shares	\$1,500,000
Accrued interest.....		1,313	1,313		
Accounts receivable.....			26,538		
Inventory of materials and supplies — at cost.....			21,213	2,030,910 shares	\$1,042,610
Prepaid expenses.....			4,384		
		182,913	726,020		
Deduct —		32,952	49,718		
Current liabilities (accounts payable).....		149,961	676,302		
Net current assets.....		135	135		
DEPOSITS.....					\$ 3,000,000
					15,000,000
					\$18,000,000
CAPITAL ASSETS — at cost:					
Mining properties and claims.....		492,386	492,386		
Exploration and development.....		384,972	2,816,099	2,030,910 shares	\$ 1,042,610
Buildings and equipment.....		9,522	675,730		
Mill site and other land.....		4,000	15,350	3,046,365 shares	1,135,526
Water rights.....		250	250	5,077,275 shares	2,178,136
		891,130	3,999,815		
		1,384	1,384		
INCORPORATION EXPENSE.....				24,995 shares	2,499,500
					\$1,042,610
					\$4,677,636

NOTES TO PRO FORMA BALANCE SHEET
GIVING EFFECT TO THE REARRANGEMENT PROPOSED UNDER THE JANUARY 1, 1960 AGREEMENT

NOTE 1: - The amounts shown as "After Rearrangement" have been arrived at by adding to the respective items as at October 31, 1960, (as taken from the audited Balance Sheet as at that date) the amounts expended or incurred by the Operating Group in respect of the property up to and including October 31, 1960. The actual amounts of such items, when taken over by Craigmont, will be the balance as at the date of take-over from the Operating Group.

NOTE 2: - The Pro Forma Balance Sheet should be read in conjunction with the explanatory notes in the Special Report section setting out in greater detail the exchange of the Operating Group's rights and benefits under the June Agreement for an equivalent position in the share structure of Craigmont, and maintaining at the same time the various rights, obligations and benefits of all parties as provided by the June Agreement.

NOTE 3: - The Notice of the Extraordinary General Meeting, at which the proposed arrangement will be presented, sets forth all the provisions, preferences, rights, qualifications, limitations and restrictions of the shares created or to be outstanding under the proposed rearrangement.

10. Brief statement of company's chief development work during past year.	Birkett Creek Mine Operators Ltd., was incorporated by Canadian Exploration Limited, Noranda Mines, Limited and Peerless Oil & Gas Company to carry out their obligations for exploration and development of the company's Property. Pursuant to the Agreement of January 1, 1960 work by Birkett Creek Mine Operators Ltd. since that date has been for the account of the Company. During the period tunnels at 3,500 ft. level, 3000 ft. level and 2,400 ft. level have been completed or are under way. In addition, preparation for open pit mining is nearly completed and the proposed mill site has been cleared and construction commenced.
11. Names and addresses of vendors of any property or other assets intended to be purchased by the company showing the consideration to be paid.	Not applicable.
12. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company.	Not applicable.
13. Number of shares held in escrow or in pool and a brief statement of the terms of escrow or the pooling agreement.	The 3,046,365 common shares aforesaid are to be held in escrow and are to carry no voting rights until the Company's Property has been equipped for production. As provided in the January 1, 1960 Agreement if the Property is not equipped for production by June 1, 1965 owing to the fault of Canadian Exploration Limited, Noranda Mines, Limited or Peerless Oil & Gas Company, their right to obtain escrowed common shares shall lapse.
14. Names and addresses of owners of more than a 5% interest in escrowed shares and their shareholdings (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.)	Escrowed shares will be registered as follows - Canadian Exploration Limited, 700 Burrard Bldg., Vancouver 5, B.C. 1,523,183 Noranda Mines, Limited, 44 King St. W., Toronto, Ontario. 761,591 Peerless Oil & Gas Company, Denver, Colorado, U.S.A. 761,591
15. Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state.	1. Canadian Exploration Limited, 700 Burrard Bldg., Vancouver 5, B.C. - 740,867 shares. 2. Noranda Mines, Limited, 44 King St. W., Toronto, Ontario. - 238,800 shares. 3. Peerless Oil & Gas Company, Denver Club Bldg., Denver, Colorado, U.S.A. - 103,700 shares. 4. Whit & Co. (Stockbrokers), Norman R. Whittall, 424 Burrard St., Vancouver, B.C. - 80,375 shares - no knowledge of beneficial owners if any. 5. J.L. Wilson, 6226 Overstone Dr., Vancouver, B.C. - 77,342 shares.
16. Names, and addresses of persons whose shareholdings are large enough to materially affect control of the company.	Canadian Exploration Limited, aforesaid, 700 Burrard Bldg., Vancouver Noranda Mines, Limited, 44 King St. W., Toronto, Ont. Peerless Oil & Gas Company, Denver Club Bldg., Denver, Colo, U.S.A.
17. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value.	Not applicable.
18. Brief statement of any lawsuits pending or in process against company or its properties.	Title to 5 of the Company's Mineral Claims contained within 2 Mineral Lease has been contested by Contact Mining & Development Co. Ltd. (NPL) and John Alexander Stinson. The Company was successful in the Supreme Court of British Columbia which judgment was unanimously upheld by the Court of Appeal. The Company is Respondent in an appeal currently pending before the Supreme Court of Canada.
19. The dates of and parties to and the general nature of every material contract entered into by the company which is still in effect and is not disclosed in the foregoing.	Agreement dated June 1st, 1958 and Agreement dated and made to have effect as of January 1st, 1960 as disclosed aforesaid. Copies previously filed with exchanges.
20. Statement of any other material facts and if none, so state. Also state whether any shares of the company are in the course of primary distribution to the public.	No shares of the Company are in the course of or are contemplated to be distributed to the public. No other material facts.

DATED December 30, 1960

CERTIFICATE OF THE COMPANY

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

"G.A. Gordon"

"J.D. Little"

CERTIFICATE OF UNDERWRITER OR OPTIONEE

CORPORATE
SEAL

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)